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PPBS--CURRENT RESEARCH AND PROGRAMMATIC IMPLICATIONS FOR
COLLECTIVE NEGOTIATIONS.

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PLANNING-PROGRAMMING-BUDGETING SYSTEMS (PPBS) ARE
INTENDED TO FACILITATE THE KINDS OF INFORMATION AND DATA
ANALYSIS WHICH FURNISH ADMINISTRATORS WITH A MORE COMPLETE
BASIS FOR RATIONAL CHOICE. NEUTRAL ON THE ISSUES OF COST
REDUCTION, PPBS IS DESIGNED TO FOSTER ECONOMIC EFFICIENCY.
ADVANTAGES WHICH IT OFFERS OVER TRADITIONAL PRACTICES
INCLUDE--(1) PROGRAM-ORIENTED INFORMATION, (2) ANALYSIS OF
POSSIBLE ALTERNATIVE PROGRAMS AND OBJECTIVES, (3) LONG-RANGE
PLANS AND EVALUATIVE CRITERIA, (4) USE OF CONTEMPORARY
MANAGEMENT SCIENCE CONCEPTS TO IMPROVE UTILIZATION OF TEACHER
COMPETENCE, (5) STRUCTURAL FLEXIBILITY AND PARTICIPATORY
PLANNING, AND (6) REPORT OF SCHOOL PROGRAMS IN THE SCHOOL
BUDGET DOCUMENT. SUCCESSFUL INSTALLATION OF THE PROGRAM
BUDGETING FORMAT IS DEPENDENT UPON COMPLETION OF THREE KINDS
OF RESEARCH ACTIVITIES--(1) PROGRAM CLASSIFICATION,
STRUCTURAL DESIGN, AND PLANNING MATRICES, (2) PROGRAMMING,
SYSTEMS ANALYSIS, AND BUDGETING, AND (3) INFORMATION SUPPORT,
EVALUATION, AND PROGRAM REVISION. THE KEY TO RESOLVING RECENT
EDUCATIONAL DISPUTES HAS BEEN LARGELY FINANCIAL. FOCUS UPON
PROGRAMS WOULD ALLOW TEACHERS, BOARDS OF EDUCATION,
ADMINISTRATORS, AND THE GENERAL PUBLIC TO SEEK RESOURCES FOR
NEEDED PROGRAMS, RATHER THAN FOR SELFISH ENDS. THIS PAPER WAS
PRESENTED TO THE AMERICAN EDUCATIONAL RESEARCH ASSOCIATION
(CHICAGO, ILLINOIS, FEBRUARY 8-10, 1968). (HM)

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PPBS: CURRENT RESEARCH AND PROGRAMMATIC
IMPLICATIONS FOR COLLECTIVE NEGOTIATIONS

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Budget formulation (in New York City Public Schools) is incremental, fragmented, and unprogrammatic... There exists now a system with little accountability to the public.

McGeorge Bundy
President,
Ford Foundation

PPBS: CURRENT RESEARCH AND PROGRAMMATIC IMPLICATIONS
FOR COLLECTIVE NEGOTIATIONS

Introduction

Planning-Programming-Budgeting Systems (PPBS) are designed to support a more rational means-ends calculus in educational planning. At a time when aspirations and the level of public expectations are rising at rates which apparently exceed public capacity to provide revenue, PPBS is being developed to provide a sharper focus upon what is desired and possible, and to furnish a declaration of priorities to accompany that focus. In addition to outlining major advantages of PPBS, the objectives of this paper are to 1) describe some of the exemplary research projects currently underway pertaining to the phasing-in of PPBS in local school districts, and 2) to consider, in a somewhat speculative vein, ways in which PPBS might facilitate programmatic aspects of collective negotiations in education.

Program Budgeting

At the core of PPBS are the program budgeting process and format, the usage of which implies a partition of the activities of an organization into programs (end-objective, output-oriented categories) and a portrayal of total costs in accordance with these programs. Although the term program budgeting may be used somewhat differently in various contexts, the major

distinction between a program budget and a conventional, object-of-expenditure budget is that the former describes programs to be accomplished rather than objects to be purchased. Although PPBS was first developed in non-educational sectors, this analytical concept holds much promise as a planning and allocative procedure for all levels of education. The literature describing both the conceptual components of PPBS and implementation projects in federal agencies, state and municipal governments, industry, and educational systems is fairly extensive and is not reviewed in this brief paper.¹

Advantages of PPBS

Although it is more than a mere executive tool, PPBS is intended to facilitate the kind of information and data analysis which furnishes administrators with a more complete basis for rational choice. Far from being a "mathematical messiah," PPBS should not be casually equated with efforts to reduce spending. It is neutral on the issue of cost reduction. Although it is designed to foster economic efficiency, it is probable that the budgets of local school districts which choose to adopt this format will continue to be plagued by at least one common characteristic: "worse than the last, but not as bad as the next." In short, although the planning and budget format cannot offset rising school costs, program budgeting offers important advantages over traditional practices: 1) information on total system costs is program (or output) oriented; 2) analysis of possible alternative programs and of alternative means of achieving program objectives is more extensive; 3) the planning process includes long range plans and evaluative criteria so that future implications of present decisions

are explicitly identified; 4) contemporary management science concepts can be used to improve the utilization of teachers' competence in the instructional process; 5) structural flexibility and participatory planning are prescribed; and 6) the programs of the school are reported in the school budget document, replacing current categories such as inter-fund transfer; this could lead to greater public understanding and support for the schools. With the budgetary revisions of PPBS, schools could expect reforms in planning which promote a reduction of output ambiguity and an increase in input variability.

Research Needs and Installation Projects

Successful installation of the program budgeting format is dependent upon the completion of at least three general kinds of research activities:

1. Program classification, structural design, and planning matrices;
2. Programming, systems analysis, and budgeting; and
3. Information support, evaluation, and program revision.

Inasmuch as the major initial concern at the conceptual stage should be for the design of a suitable program classification system, it seems appropriate to note the different ways in which school districts may wish to classify their programs. At least five classification options are possible: 1) a program structure which emphasizes conventional grade levels as the basis for designing programs; 2) a structure which is similar to the first, except for the provision for pre-school, middle school, and junior college programs, 3) an ideal-type curriculum-based (subject-matter) program structure, 4) a hybrid format which combines grade level organization at the elementary level with subject-matter organization at the secondary level,

and 5) an option which uses services performed as the basis for a program structure.² After some familiarity with PPBS, a person should get on with the business of structuring the organization's activities within a workable number of general programs (perhaps ten to fifteen), meaningfully defined.

There are as many different ways of putting together a program structure as there are people who will attempt it. It is very difficult to formulate generally acceptable specific 'rules' for constructing one... The basic principle of an objective-oriented program structure is the grouping of activities that serve the same purpose... The topmost level of a program structure should consist of the broad categories directed toward the fundamental objectives of the jurisdiction... The lowest level in any structure would be comprised of the programs that have been implemented as the specific means for moving towards the end objectives.³

In most of the non-defence applications, such as education, PPBS is still in its formative stages; a number of urban and suburban local school districts claim to be operating under at least a modified program budget structure. However, close observation of their procedures often reveals that they have simply continued their traditional, incremental planning and budgeting procedures, but under the disguised name of program budgeting. Principle gives way to expediency. By contrast, some districts which profess to be phasing-in program budget designs are, in fact, doing so. Progress has been impeded by the newness of the topic, lack of trained personnel, resistance to innovation of any kind by some educators, insufficient dialogue between program analysts, and lack of "venture capital" to engage in this type of research and development project. Ten school districts which are representative of organizations currently attempting to implement PPBS are Baltimore, Chicago, Dade County (Greater Miami Area,

Florida),⁴ Los Angeles (City), Memphis, New York City, Philadelphia, Sacramento, Seattle, and Westchester County (an intermediate district in New York State). Has program budgeting been successful in these districts? It is probably too soon to make a definitive assessment, but the indications are promising. In the schools cited, varying degrees of success were reported, approaches taken were significantly different, and, as far as a final verdict on PPBS is concerned, the jury is still out. At the same time, a number of other countries are exploring the possibility of using PPBS in education, and a forthcoming Paris conference will be devoted to this topic.⁵

PPBS and Collective Negotiations

Predictably, in the manner of nearly all bargaining conflicts, the key to resolving recent educational disputes has been largely financial. However, the organizations representing teachers appear to be directing more attention to 'demands for better education,' or to issues with similar global phrases, which indicates that they seek improvements in instructional programs. Slogans such as "Teachers Want What Children Need" are persuasive, and would be more so if the needs of children could be made explicit and operationalized through a vehicle such as the program budget. It would benefit all parties if a PPBS framework could be designed which is acceptable to teachers, boards of education, administrators and the general public. It should be more than an executive tool used for cost reduction purposes.

Little change can be expected to take place in the behavioral-attitudinal-political factors of bargaining, negotiations, and other

complex strategy contexts. However, program budgeting can lead to revision of structural elements and provide at least some common bases for conflict resolution. The research literature is filled with empirical approaches to game theory and bargaining behavior. For example, the Society for General Systems Research recently published an extensive bibliography containing hundreds of research reports and allied publications pertaining to bargaining behavior.⁶ With a convergence of literature from the area of bargaining behavior with that of program budgeting, creative proposals for reforms in the present negotiations process might result.

Some teachers' organizations seem to be led by a belief that spending money makes good things happen, and spending more money makes better things happen. Conversely, some boards of education appear to believe that spending money of any kind is fraught with peril. A common ground is needed. Instead of seeking only salary increases and similar benefits from the total reward system in a narrow, self-interested manner, teachers could, with a program budget, focus upon programs, or programmatic outputs of a school, and seek support for more resources for these programs. It is likely that public support for teachers would be greater if the public could be shown that the various pupil programs would be the major beneficiaries of increased taxes, and not merely the salaries of teachers. Admittedly, the major component, from a budgeting standpoint, of most instructional programs is the salary of teachers, but the schools have done themselves a disservice with the manner in which they have seen fit to report to the public how their funds are appropriated. Of the budget

code items reported in the local school budgets of New York State, such categories are included as interfund transfers, undistributed expenses, and capital reserve fund, none of which is clearly understood by the general public. In addition, there are the usual line-item accounts such as board of education, central administration, instruction, debt service, plant operation and transportation. It is difficult to determine in what ways these funds are supporting instructional programs, or in fact, what those programs are. The school budget should contain a curricular program classification, in addition to a conventional breakdown, if it is to earn the support of the public it serves. Otherwise, the rate of budget rejections will continue to increase.⁷

After suitable program structures and performance indicators have been devised, the school budgets have been prepared to show something more than items such as inter-fund transfer and board of education costs, then teachers can provide supportive evidence to portray how their salaries and benefits are prime components of programs which public policy deems desirable. At that time, teachers and boards of education can engage in participatory planning and negotiate more intelligently over the priorities, relative merits, and costs of issues such as smaller classes, team teaching, disruptive children, vocational schools, teachers aids, ghetto school problems, preparation periods, community involvement in school policy, reduction in work hours, and other issues which have educational program implications. Until then, teachers may suffer from: internal power struggles, unionism versus professionalism frictions, constraining new legislation, resistance from civil rights leaders and slum area residents, and in general,

decreasing community support for their demands. It is essential to establish contractual language where curriculum and instructional matters are concerned.⁸

To conclude, if program budgeting proves successful in this arena, future collective negotiations may focus upon instructional programs, with teachers' salaries as a prime component, rather than vice versa. It remains a remote, but enticing, possibility.

FOOTNOTES

1. A detailed review of the research literature and discussion of the operational aspects of PPBS is contained in Harry J. Hartley, Educational Planning-Programming-Budgeting: A Systems Approach (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., to be published in August, 1968).
2. Ibid., Chapter VII.
3. State and Local Finances Project, PPB Note 5 (Washington, D.C.: The George Washington University, April, 1967), p. 6.
4. The Dade County project is among the most noteworthy. The District received a \$600,000 Title IV grant to conduct a four-year project involving the installation of program budgeting procedures. The emphasis is upon using organization grade-level as the primary basis for program design, and subject-matter as the basis for sub-program groupings, according to Jack Whitsett, Project Manager for Support Systems, Dade County Public Schools.
5. Harry J. Hartley, "Program Budgeting and Cost-Effectiveness in Local School Systems," Paper to be presented to the Organization for Economic Co-Operation and Development (OECD), Conference on Systems Analysis Techniques in Educational Planning, April 3-5, 1968, Paris, France.
6. Charles G. McClintock and David M. Messick, "Empirical Approaches to Game Theory and Bargaining," General Systems, Yearbook of the Society for General Systems Research, XI (1966), 229-236.
7. School officials are faced with a hardening of the public attitude as reflected in rising resistance to approving additional funds. For example, in the New York State local school district budget elections held in May, there were far more rejections in 1967 than in any previous year. The rejection rate was 20.5 per cent, with the highest concentration in the urban counties where the tax rate and per pupil operating expense are higher than the non-urban; Source: "School District Budget Referendums in New York State", Albany: State Education Department, Bureau of Educational Finance Research, May, 1967.
8. Some of the implications of including curricular programs as a topic of negotiations were reviewed by the Association for Supervision and Curriculum Development in: Leslie J. Bishop, Collective Negotiation in Curriculum and Instruction (Washington, D.C.: N.E.A., A.S.C.D., 1967), 22 pp.